

TUESDAY, JULY 20, 2004

House Meets At...	Last Vote Predicted At...
9:00 a.m.: Morning Hour 10:00 a.m.: Legislative Business Unlimited "One Minutes"	6:00 - 7:00 p.m.

**\*\* DEMOCRATS ARE URGED TO SIGN THE BISHOP (NY) DISCHARGE PETITION (No.10) AVAILABLE TODAY TO DISCHARGE H.R. 3004. THIS BILL PROVIDES MANDATORY ENFORCEMENT OF ELECTRICITY RELIABILITY STANDARDS AND IS BASED ON CONSENSUS BIPARTISAN PROVISIONS CONTAINED IN THE CONFERENCE REPORT FOR H.R.6**

FLOOR SCHEDULE AND BILL SUMMARY

**H.Res. 725 - Rule providing for consideration of H.R. 3574 - Stock Option Accounting Reform Act.** The Rules Committee has recommended a restrictive rule that provides one hour of general debate; waives all points of order against consideration of the bill; and provides one motion to recommit with or without instructions. The Rule also makes in order four amendments:

- **Oxley Manager’s Amendment (10 minutes).** This amendment clarifies the intent of the bill to ensure that any company that wishes to voluntarily expense stock options in certain filings required under the securities laws may do so.
- **Sherman Amendment (10 minutes).** This amendment eliminates the requirement in the bill that an assumption of zero volatility be used when calculating the value of stock option expense for the top-five executives.
- **Maloney Amendment (10 minutes).** This amendment preserves the authority of the Securities and Exchange Commission (SEC) to establish accounting principles or standards on its own initiative as the SEC deems necessary in the public interest or for the protection of investors.
- **Kanjorski/Castle Amendment in the Nature of a Substitute (20 minutes).** This amendment includes findings concerning the SEC authority over standard setting, the importance of the Financial Accounting Standards Board (FASB) independence and credible accounting standards to the economy and investors, the recent actions of Congress in Sarbanes-Oxley to strengthen the standard-setting process, the comparative advantage provided to the U.S. by high quality accounting standards, and the damage to the standard-setting process of legislative pre-emption. It also includes a sense of the Congress that preserving the integrity of the accounting standard-setting process and FASB independence is crucial to the financial reporting system and markets and that the SEC should be permitted to adopt new standards without Congressional intervention; and directs the SEC to oversee the process of setting standards for equity-based compensation to ensure that all comments are appropriately reviewed and that any modifications necessary to insure the highest quality accounting standards are adopted.

**H.Res.724 - Rule providing for consideration of H.R.4850 - District of Columbia Appropriations Act for FY05.** The Rules Committee has recommended an open rule that provides one hour of general debate and provides one motion to recommit with or without instructions. Under the rule, only amendments that do not require waivers of points of order are permitted.

**H.R. 3574 - Stock Option Accounting Reform Act (Rep. Baker - Financial Services) (Subject to a Rule).** This bill 1) requires public companies to begin expensing the fair value of stock options awarded to CEOs and the four most highly compensated officers in 2005, but requires the fair value of executive stock options to be calculated assuming zero volatility for the underlying stock price; 2) prohibits the Securities and Exchange Commission (SEC) from recognizing or adopting Financial Accounting Standards Board's proposed stock option expensing requirement; and 3) requires the SEC to adopt rules requiring issuers to provide enhanced disclosure of, among other things, the dilutive impact of stock option plans, stock purchase plans, and other arrangements involving employee acquisition of equity interests in the company on earnings per share. With respect to stock options, the bill effectively removes authority the SEC has had since 1934 to establish reporting requirements for public companies.

**H.R. 4850 - District of Columbia Appropriations Act for FY05 (Rep. Frelinghuysen - Appropriations).** This bill provides \$560 million in federal funds for FY05. Funding in this bill include: \$202.1 million for D.C. Courts; \$183.5 million for D.C. Court Services and Offender Supervision; \$10 million for the Water and Sewer Authority; \$41.5 million for Defender Services in D.C. Courts; and \$25.6 million for resident tuition support. In addition, this bill includes \$40 million in federal funds for the School Voucher/Public School Improvement Program.

# The Daily Whip

democraticwhip.house.gov • (202) 225-3130

## Suspensions (11 bills):

- 1) **H.Res. 723** - Recognizing the 35th anniversary of the Apollo 11 lunar landing (*Rep. Hall / Science*)
- 2) **H.R. 4259** - Department of Homeland Security Financial Accountability Act (*Rep. Platts - Government Reform*)
- 3) **H.R. 4608** - To name the Department of Veterans Affairs outpatient clinic located in Peoria, Illinois, as the "Bob Michel Department of Veterans Affairs Outpatient Clinic" (*Rep. LaHood - Veterans' Affairs*)
- 4) **H.R. 3936** - To amend title 38, United States Code, to authorize the principal office of the United States Court of Appeals for Veterans Claims to be at any location in the Washington, D.C., metropolitan area (*Rep. Smith (NJ) / Veterans' Affairs*)
- 5) **H.R. 4175** - Veterans' Compensation Cost-of-Living Adjustment Act of 2004 (*Rep. Smith {NJ} - Veterans' Affairs*)
- 6) **H.Con.Res. 308** - Recognizing the members of AMVETS for their service to the Nation and supporting the goal of AMVETS National Charter Day (*Rep. Bishop (NY) / Veterans' Affairs*)
- 7) **S.J.Res. 38** - Providing for the appointment of Eli Broad as a citizen regent of the Board of Regents of the Smithsonian Institution (*Sen. Cochran - House Administration*)
- 8) **S. 2362** - To authorize construction of a Smithsonian Astrophysical Observatory instrumentation support control building and associated site development on Kitt Peak, Arizona (*Sen. Cochran - House Administration*)
- 9) **H.R. 4816** - To permit the Librarian of Congress to hire Library of Congress Police employees (*Rep. Ney - House Administration*)
- 10) **S. 741** - Minor Use and Minor Species Animal Health Act of 2003 (*Sen. Sessions / Energy and Commerce*)
- 11) **H.R. 4600** - Junk Fax Prevention Act of 2004 (*Rep. Upton / Energy and Commerce*)

**Stenholm Motion to Instruct Conferees on H.R. 1308** – Extension of Tax Cuts Conference Report. This motion instructs conferees to agree, to the maximum extent possible within the scope of the conference, to a conference report that extends the tax relief provisions which expire at the end of 2004, and does not increase the federal budget deficit.

## TOMORROW'S OUTLOOK

The GOP Leadership has announced the following schedule: On Wednesday, the House will meet at 10:00 a.m. for legislative business. The House will consider eleven bills under Suspension of the Rules and will also consider: **H.R. 4837** - Military Construction Appropriations Act for FY05 (*Rep. Knollenberg - Appropriations*) (*Subject to a Rule*). In addition, the House may consider **H.R. 4613** - Department of Defense Appropriations Conference Report.

### Daily Quote...

"The best message is, Republicans are getting things done in spite of Democrats, if that's true. But it's not true. We're not getting things done."

- Sen. Trent Lott [*Roll Call* story today on the Republican do-nothing Congress]